

# Perspectives

FOR RETIRED  
MEMBERS  
OF THE  
NORTH DAKOTA  
PUBLIC  
EMPLOYEES  
RETIREMENT  
SYSTEM

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## In this issue...

- BCBS Revises Authorized Representative Form
- Confidentiality Law
- NDPERS On-line Services
- Return to Work Provisions
- Dental Insurance Rates
- Legislative Employee Benefits Committee



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## Medicare Prescription Drug Coverage is Coming...

Starting January 1, 2006, everyone with Medicare will be eligible for prescription drug coverage under the new Part D Prescription Drug Program. Over the past months, Medicare has been working with plan sponsors to offer a variety of options for people who already have prescription drug coverage through an employer or union. Among the options available is a retiree-only group Prescription Drug Program (PDP). At its most recent meeting, the North Dakota Public Employee Retirement System (NDPERS) Board of Directors has decided to pursue a retiree-only group PDP option on behalf of its Medicare eligible members.

The retiree-only PDP option has several advantages including group enrollment and the ability to enhance standard Medicare prescription drug coverage.

A description of the standard Medicare prescription coverage is found in Table 1. NDPERS will work with the selected plan sponsor to enhance prescription drug benefits comparable to those that exist today. Additional information on specific benefits and premiums will be available beginning October 1, 2005, the date Medicare Prescription Drug Plans can begin marketing to people with Medicare.

Enrollment in Medicare Prescription Drug Plans begins on November 15, 2005. At least 30 days prior to group enrollment, eligible NDPERS members will receive information on group enrollment and instructions on how to opt out of such enrollment. The information will also include a summary of benefits offered under the new plan, and an explanation of how to get more information on the plan.

**Table 1. Standard Medicare Prescription Coverage**

- |   |
|---|
| • \$250 deductible  |
| • From \$251 to \$2,250, Medicare pays 75% of drug costs and plan enrollee pays 25%                         |
| • From \$2,251, plan enrollee pays 100% until true out-of-pocket spending reaches \$3,600                   |
| • After plan enrollee reaches \$3,600 in true out-of-pocket spending, Medicare pays about 95% of drug costs |

## Supplemental Retirement Benefits

HB 1070 provided an increase of an amount equal to half of your retirement check in January of 2006 if the total return of the fund is 11.2% or more in the preceding fiscal year's actuary report. As of the fiscal year ending June 30, 2005, the fund return was 14.1%. Consequently, all PERS and Highway

Patrol retirees will be getting a supplemental retiree payment.

If you have a retirement effective date on or before June 1, 2005, you will receive a one-time supplemental payment equal to 50% of your currently monthly

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## NDPERS On-line Services

### Scope of Services

You now have the ability to view and print your individual "Retiree Annual Statement of Account" for the most recent calendar year ending December 31.

### Accessing Your Account

Prior to accessing NDPERS On-line Services, you must have a North Dakota Logon ID. The North Dakota Logon ID will allow you to access various services. Registration is a ONE-TIME PROCESS to ensure the security and privacy of NDPERS member information.

#### *To Register:*

Go to [www.nd.gov/ndpers](http://www.nd.gov/ndpers) and select "Register for Logon "ID" under ONLINE SERVICES. If you need assistance, contact NDPERS at [ndpers-info@state.nd.us](mailto:ndpers-info@state.nd.us).

#### *Already Registered:*

If you already have registered and obtained your North Dakota Logon ID, you do not need to register again. To access your individual retirement account, please go to [www.nd.gov/ndpers](http://www.nd.gov/ndpers) and select "Log On" under ONLINE SERVICES.

If you have forgotten your Logon ID or password, just follow the on-screen instructions.

### Other Website Features

You also have access to plan information on all NDPERS benefits, Perspectives Newsletters, News Flashes, Forms and Publications, Board minutes, and Contact Information.

# BCBS Revises Authorized Representative Form

Blue Cross Blue Shield of North Dakota ("BCBSND") has revised its Authorized Representative Form to emphasize that the form is entirely voluntary and that, whether or not a minor elects to complete the Form will have no effect on the ability of a personal representative, such as a parent or guardian, to have access to their minor child's health information IF applicable law allows such access without the minor's written permission.

In general, this means that if a child and their parents reside in North Dakota, the child receives health care in the North Dakota, and the child is under the age of 14, or the child is a minor who is 14 or older and was treated for a "non-sensitive" injury or illness, Blue Cross Blue Shield is required to disclose the child's health information to the child's parent. Blue Cross Blue Shield, may, however, take reasonable steps to ensure that the

person seeking the health information is, in fact, the parent of this child (and not a nosy neighbor), and is the child's personal representative. Because Blue Cross is authorized to take reasonable steps to verify a person's identity and authority, and to remove sensitive information if the minor child is over the age 14, immediate access to the child's information may not be available.

In addition, it is important to note that if a minor is age 14 or older, the minor may consent to treatment for certain conditions without the consent of his or her parents, and in such a case, a parent cannot obtain information about any such treatment without the minor's permission. The same confidentiality applies – regardless of the minor's age, if the minor receives care under a program covered by federal law regarding treatment for alcohol or drug abuse.

## Confidentiality Law

All records of a member or beneficiary are confidential and not public records. Information and records may be disclosed under limited circumstances:

- A person to whom a member/beneficiary has given written consent.
- A person legally representing the member/beneficiary upon proper proof of representation, unless member/beneficiary withholds consent.
- A person authorized by court order.
- A member's spouse or former spouse, that individual's legal representative, and the judge presiding over the member's dissolution of marriage proceedings for the purpose of drafting a Qualified Domestic Relations Order.
- A member's participating employer's authorized agent, under limited circumstances.

- A member's designated beneficiaries after the member's death. Information relating to beneficiaries may be disclosed to other beneficiaries of the same member.
- The general public, but only after the board has been unable to locate the member for a period in excess of two years, and limited to the member's name and the fact that NDPERS has been unable to locate the member.
- Any person whom the NDPERS board determines disclosure is necessary for treatment, operational, or payment purposes, including the completion of necessary documents.

A penalty for disclosure of confidential information is a Class C felony which includes a five-(5) year prison term and a \$5,000 fine (N.D.C.C. 12.1-13-01).

## Return to Work Provisions

House Bill 1266 passed by the 2005 legislature allows employees who are retired under the normal retirement provisions (age 65 or Rule of 85) and are receiving benefit payments, to return to PERS covered employment without suspension of benefit payments. The following outlines the restrictions that apply to this option:

a) If you return to permanent employment with a NDPERS participating employer, your hours of employment must be restricted if you wish to continue receiving your pension payment. Your employment must be limited to less than 20 hours per week if employed 20 weeks or more months per year. You may work more than 20 hours per week if employed less than 20 weeks per year.

If you are employed for 20 or more hours a week for 20 or more weeks per year then your retirement benefit will be suspended. Upon termination of employment, you may resume retirement benefit. Your previous retirement account will be combined with your current service.

b) If you are receiving pension benefits under the normal retirement provisions (Rule of 85 or age 65) and become re-employed with a NDPERS participating employer other than the employer with which you were employed at the time you retired, you may, before re-enrolling in the retirement plan, elect to permanently waive future participation in the Defined Benefit plan and the Retiree Health Insurance Credit program. This action will ensure that your pension benefit will continue uninterrupted.

If you make this election you are not required to make any future employee contributions to NDPERS nor is your employer required to make any further contributions on your behalf.

Under N.D.C.C. 54-52-01(8), a "Governmental unit" means the state of North Dakota, except the highway patrol for members of the retirement plan created under chapter 39-03.1, or a participating political subdivision thereof. Therefore, North Dakota state agencies are considered one employer group and any member retiring with one state agency and becoming reemployed with another state agency would not be eligible for this return to work provision.

The following retired members may be eligible for this provision:

Past Employer	New Employer
State	Political Subdivision
Political Subdivision	State
Political Subdivision	Political Subdivision

### Disability

If you return to work in a permanent full-time position and are eligible to participate in NDPERS, your disability benefits must be suspended. If you are not able to continue employment for a consecutive period of time resulting in nine (9) months of service credit as a result of the disability and continue to meet the eligibility requirements under the plan, you may resume disability.

If you return to substantial gainful activity in employment not covered under NDPERS, your disability benefit may continue for up to nine (9) consecutive months. If you are not able to continue employment for at least nine (9) months as a result of the disability and continue to meet the eligibility requirements under the plan, you may continue disability status.

## Dental Insurance Rates

Effective January 1, 2006 your monthly premium rate for the NDPERS Dental Plan will increase. Your current monthly premium and the premium effective January 1, 2006 are:

	Current Premium	Premium 1/1/2006
Retiree Only	\$32.56	\$33.54
Retiree & Spouse	\$62.70	\$64.58
Retiree & Child(ren)	\$73.02	\$75.22
Family	\$103.20	\$106.30

The above represents a 3% increase over the current rates which indicate that at this time claims costs, utilization, and inflation are more stable than in past years.

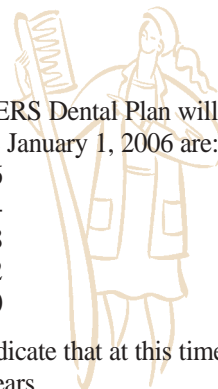
If you wish to reduce your level of coverage you must contact the NDPERS office and request a Dental Enrollment/Change form and return it to our office by December 15, 2005. The change will be effective January 1, 2006.

If you wish to cancel your coverage you must submit a written request to do so. The request must contain the contract holder's name, social security number, and effective date of cancellation. Coverage can only be cancelled effective the end of the month. Cancellation requests must be received by our office by the 15th of the month to be effective the 1st of the month following.

If you have questions, please feel free to contact NDPERS at 1-800-803-7377 or (701) 328-3900.

## Legislative Employee Benefits Committee

The Legislative Employees Benefits Committee was appointed by the Legislative Council. Members of the committee are Representatives Matthew M. Klein, Chairman, Al Carlson, Joe Kroeber, Ken Svedjan, and Francis J. Wald and Senators Ray Holmberg, Ralph L. Kilzer, Karen K. Krebsback, and Carolyn Nelson. This committee has been assigned the responsibility to study total state employee compensation, the human resource system, retirement benefits, and health insurance benefits during the interim. Its first meeting was held on August 30. PERS provided an overview of the retirement systems and group insurance plans it manages and administers on behalf of state employees.



## Supplemental Retirement Benefit

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benefit. This payment will be issued in the first week of January 2006 and will be paid to you in the same method as your monthly ongoing benefits. This is the only increase approved by the legislature for the 2005-07 biennium.

There will be no deductions from this payment except for Federal and ND State income tax. The income tax calculation will be 50 percent of your current tax election. If you have elected no income tax withholding or your benefit is below the income withholding threshold, no income tax will be withheld from this supplemental payment. **THERE WILL BE NO SPECIAL TAX PROVISIONS MADE FOR THIS SUPPLEMENTAL PAYMENT.** If you wish to increase your income tax withholding for 2006, you will need to increase your withholding with your ongoing monthly benefits.

### Job Service Retirement System

Members of the Job Service retirement system will receive their adjustment as determined by the percent increase, if any, in the Consumer Price Index and provided the same increase has been

authorized for the Civil Service Retirement System, and subsequently authorized by the NDPERS Board. If approved, the increase will be effective December 1, 2005.

## Thank You David

Due to his retirement, David Gunkel's term as a NDPERS Board member will conclude on October 31, 2005. David was first elected in 1994 and has served on the Board for a little over 11 years. The PERS staff extends its appreciation to David for his contribution and dedication during his tenure as a member of the NDPERS Board.



*David Gunkel*

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